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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, December 8

NIKKEI (Page 2) (Full)
December 9, 2009

08:32 Attended a meeting of the Overseas Economic Cooperation Conference at the Prime Minister's Official Residence (Kantei).

09:29 Met at National Strategy Minister Kan. Later, attended a ministerial meeting on budget compilation.

10:02 Attended a cabinet meeting. Followed by Deputy Chief Cabinet Secretary Matsuno.

11:04 Met Matsuno, Deputy Foreign Minister Sasae, and METI Deputy

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Vice Minister Ishige.

13:07 Met Internal Affairs Minister Haraguchi. Later, met Cabinet Office Senior Vice Minister Furukawa and Parliamentary Secretary Tsumura.

14:02 Met Foreign Minister Okada, Defense Minister Kitazawa, Transport Minister Maehara, and Chief Cabinet Secretary Hirano. Kitazawa and Hirano stayed behind.

15:03 Met Tadateru Konoe, president of the International Federation of Red Cross and Red Crescent Societies. Followed by Environment Minister Ozawa.

16:30 Met League of Arab States Chief of Secretariat Moussa, with Senior Vice Minister Takemasa present.

17:35 Attended a meeting of the Intellectual Property Rights Strategy Conference.

18:08 Met Senior Vice Foreign Minister Fukuyama, METI Parliamentary Secretary Kondo, and Environment Parliamentary Secretary Otani.

19:34 Met Matsuo. Followed by Hirano.

20:34 Arrived at his official residential quarters.

4) Japan-U.S. relationship becoming tense; "We are not in a condition to discuss the bilateral alliance"; Government to inform U.S. of policy direction of not deciding on Futenma relocation site

MAINICHI (Top play) (Full)
December 9, 2009

Takashi Sudo, Takenori Noguchi

The Japan-U.S. relationship is becoming increasingly tense due to the issue of relocating the U.S. Marine Corps' Futenma Air Station (in Ginowan, Okinawa Prefecture). Prime Minister Yukio Hatoyama held talks yesterday at the Prime Minister's Official Residence (Kantei) with Chief Cabinet Secretary Hirofumi Hirano, Foreign Minister Katsuya Okada, Defense Minister Toshimi Kitazawa, and Okinawa Affairs Minister Seiichi Maehara. On the government's basic policy to be conveyed to the U.S. side, they agreed not to decide on a relocation site and to postpone a conclusion until next year. In deference to the United States, the government does not intend to exclude the existing plan from the options. Whether the United States will accept the government's policy remains to be seen.

"We are working hard in the direction of deciding on a site. Our talks are in the final stage," the Prime Minister said to reporters after the meeting. In order to maintain the coalition with the Social Democratic Party (SDP), it is difficult to reach a conclusion before the end of the year in line with the existing plan to relocate Futenma to the coastal area of Camp Schwab (in Henoko, Nago).

The Prime Minister intends to hold a Japan-U.S. summit on Dec. 18 on the sidelines of the 15th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15) in Copenhagen. There he wants to obtain President Barack Obama's understanding by directly explaining: (1) the importance of maintaining the coalition; (2) a plan not to exclude the existing plan; and (3) the need to reduce the burden on Okinawa. But a senior

Foreign Ministry official pointed out the possibility of the U.S. side's refusal, saying, "Whether it will be possible to hold talks at a time when a conclusion is not reached is questionable."

The Futenma issue has begun affecting the overall Japan-U.S. relationship. During the director general-level talks in November,

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the U.S. side said that intergovernmental talks to deepen the Japan-U.S. alliance should be held after the Futenma issue is settled. After the Dec. 4 ministerial-level working group meeting, the U.S. side again conveyed the postponement to the Japanese side. Okada said: "We are not in a condition (to hold talks). I don't feel like entering into talks on the Japan-U.S. alliance when the Futenma issue is not resolved." A senior Foreign Ministry official, too, describe the current situation by saying: "We cannot borrow more money when we are still in debt."

The Japan-U.S. ministerial-level working group has effectively been derailed as well, Okada described the situation this way: "The topic of the coalition cropped up, and arguments to postpone a conclusion and to find other possible alternative sites also emerged. The meeting has been temporarily suspended, and we are waiting." At a press conference yesterday, Okada expressed concern: "Japan and the United States might end up losing mutual trust, which is a serious situation. The Japan-U.S. alliance has been somewhat shaken."

The U.S. side is also alarmed. U.S. Deputy Chief of Mission to Japan James Zumwalt yesterday called on Democratic Party of Japan Diet Affairs Committee Chairman Kenji Yamaoka in the Diet building and called for cooperation for the early settlement of the matter. Regarding that the question of the coalition holds the key (to resolving the Futenma issue), the U.S. side apparently approached Yamaoka, who is close to Secretary General Ichiro Ozawa. But Yamaoka simply said: "In the long run, it will be beneficial for the Japan-U.S. relationship as well to take the domestic political situation into account while pushing ahead with the matter."

Meanwhile, the Social Democratic Party (DPJ) is set to deal with the matter aggressively. The party is considering such options as running an issue-advocacy advertisement in The New York Times in January and sending a parliamentarian delegation to the United States to directly lobby the U.S. Congress for the issue. DPJ head and Consumer Affairs and Declining Birthrate Minister Mizuho Fukushima is scheduled to visit Okinawa starting on Dec. 16.

5) Futenma working group also suspended

YOMIURI (Top play) (Excerpt)
December 9, 2009

The government has suspended the talks of the cabinet-level working group composed of officials responsible for foreign affairs and defense, a forum established between Japan and the United States to verify the relocation site for the U.S. Marine Corps' Futenma Air Station in Okinawa. Foreign Minister Katsuya Okada announced the decision in a press conference yesterday. Days earlier the U.S. had informed the Japanese side of its decision to put off the planned talks on deepening the Japan-U.S. alliance with next year being the 50th anniversary of the revision of the U.S.-Japan Security Treaty. It can be said that the decision to suspend the talks on Futenma indicates the deep rift between the two governments.

6) Cabinet level working group on Futenma relocation to be suspended; Japan-U.S. agreement may break down

ASAHI (Top play) (Full)
December 9, 2009

Foreign Minister Katsuya Okada indicated on Dec. 8 that the

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Japan-U.S. cabinet level working group on the relocation of the U.S. forces' Futenma Air Station (in Ginowan City, Okinawa) will be

suspended for the time being. At the last meeting on Dec. 4, the U.S. side expressed the concern that if the present situation continues, the "process of deliberation" on deepening the bilateral alliance agreed at the Japan-U.S. summit meeting in November cannot move forward. The Futenma issue is beginning to have an influence on the overall bilateral relationship.

The working group started its discussions to find a solution to the Futenma issue in mid-November. The purpose of the working group is to examine the process through which the current plan to relocate the Futenma base to Henoko in Nago City came about. The second meeting was held on Dec. 4. The U.S. side demanded that Japan accept the Henoko relocation plan at an early date and reacted strongly to Japan's attitude of deferring a decision.

At his news conference on Dec. 8, Okada stated: "I think we should engage in discussions after the Japanese government determines its policy direction," indicating that it will be difficult to hold dialogue with the U.S. side for now. He also said: "If we do not deal with this properly, it may result in a serious loss of trust on both sides."

According to an informed source, U.S. Ambassador to Japan John Roos stated at the working group on Dec. 4: "If the Futenma issue goes on like this, the Japan-U.S. agreement will break down. This will also affect the 50th anniversary of the revision of the Japan-U.S. security treaty." This means that the road map for U.S. Forces Japan realignment agreed upon by Japan and the U.S. in 2006 may be scrapped. The road map agreement provides for: the relocation of the Futenma Air Station to Henoko by 2014, the relocation of 8,000 U.S. Marines and 9,000 dependents to Guam, and the return of most U.S. military bases in the southern and central part of the main island of Okinawa.

The "new process of deliberation" is a plan to discuss cooperation in wide-ranging areas for one year, in preparation for the 50th anniversary of the security treaty next year. It is regarded as one of the major achievements of the Japan-U.S. summit meeting in November.

At a news conference on Dec. 8, Chief Cabinet Secretary Hirofumi Hirano also said: "Japan and the U.S. have not reached a conclusion on the base issues. They will probably sort out this problem first before dealing with what to do (with the deliberation on deepening the Japan-U.S. alliance) in the future."

7) Japan-U.S. relationship entering "dangerous waters" with prolongation of Futenma issue

TOKYO SHIMBUN (Page 2)
December 9, 2009

Yoichi Takeuchi

The prolongation of the issue of the relocation of the U.S. forces' Futenma Air Station is beginning to impact the Japan-U.S. relationship. While Prime Minister Yukio Hatoyama is keen on holding a summit meeting with U.S. President Barack Obama on Dec. 18, this is now unlikely to take place. The situation is such that even the opportunity to pave the way to finding a solution through a meeting

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between leaders may be lost. It is now difficult for the discussions to deepen the bilateral alliance proposed by the Prime Minister to start at an early date.

Possibility of losing opportunity to find a solution

Hatoyama had indicated that coordination will be made to hold a meeting with President Obama and the 15th Conference of Parties to the U.N. Framework Convention on Climate Change. The Prime Minister, who takes pride in the "Barack-Yukio" relationship, had planned to explain the domestic situation over the Futenma issue and seek his understanding.

However, Chief Cabinet Secretary Hirofumi Hirano stated repeatedly

at his news conference on Dec. 8 that the schedules of both leaders are "very tight." Regardless of the question of scheduling, a meeting will be meaningless for the U.S. side if Hatoyama will not show a positive attitude on the Futenma issue. It will be even worse if he indicates his intention to look for new relocation sites to replace the coastal area of Nago City in Okinawa, since the President will lose face completely.

Hirano also had to admit that the Japan-U.S. talks on deepening the alliance will be postponed. He said: "Since Japan and the U.S. are unable to reach a conclusion on the base issues, they will probably sort out this problem first before dealing with what to do in the future."

The talks on deepening the alliance were agreed upon at the Japan-U.S. summit in November. Hatoyama proposed the prevention of nuclear proliferation, missile defense, and the environment as some of the topics to be discussed. Since the bilateral relationship is currently destabilized by the question of U.S. military bases in Japan, which is the basic component of the bilateral security arrangements, it is impossible to proceed to strengthening future relations.

As Japan continues to waver on the Futenma issue, its relations with the U.S. are steadily approaching dangerous waters.

8) Parliamentary Defense Secretary Nagashima criticizes arguments for moving Futenma facility out of Okinawa

SANKEI (Page 5) (Full)
December 9, 2009

In a symposium on Japan-U.S. security issues held in Tokyo yesterday, Parliamentary Defense Secretary Akihisa Nagashima strongly criticized arguments for moving the U.S. Marine Corps' Futenma Air Station out of Okinawa Prefecture or even out of Japan. On the deadlocked Futenma issue, he said: "Those who are calling for reducing the cost of hosting the U.S. bases have not discussed how much risk Japan should share with the U.S. in times of emergency. Many people have insisted that since the military bases are troublesome facilities, they should be moved away."

Nagashima then referred to a comment made by Japan Research Institute Chairman Jitsuro Terashima, a brain trust advisor to Prime Minister Yukio Hatoyama, during an interview with the Asahi Shimbun yesterday: "In Japan, there are people who think the presence of foreign troops in Japan is acceptable without wondering if it makes sense." Nagashima then pointed out: "I wonder if it is proper to say

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that the U.S. Marines should just go away according to Japan's convenience. The presence of the U.S. is an international public asset in the Asia-Pacific region."

9) DPJ Yamaoka tells DCM Zumwalt in discussing Futenma issue: "Haste makes waste"

TOKYO SHIMBUN (Page 2) (Full)
December 9, 2009

Democratic Party of Japan Kenji Yamaoka, chairman of the party's Diet Affairs Committee, and James Zumwalt, deputy chief of mission (DCM) in the U.S. Embassy, held a meeting in the Diet Building yesterday and exchanged views on the issue of relocating the U.S. Marine Corps' Futenma Air Station. In response to a question by DCM Zumwalt about ways to bring about an early settlement to the issue, Yamaoka said: "In Japan there is the proverb 'haste makes waste'. Rushing to a conclusion will not result in an early settlement." He called on the U.S. to make a considered response.

Yamaoka explained that the Democratic Party of Japan has a majority in the House of Councillors in alliance with the Social Democratic Party and the People's New Party. He then said: "Unless we get through the Diet session, the foundation of the government will become shaky. It is not realistic for the U.S. to consider the Okinawa issue without taking this into account." The meeting was

held at the request of the U.S.

10) SDP head Fukushima to visit Henoko on Dec. 17

NIKKEI (Page 2) (Full)
December 9, 2009

Social Democratic Party Chairperson Mizuho Fukushima, concurrently state minister for consumer affairs and declining birthrate, yesterday decided to visit on Dec. 17 the coastal area of Camp Schwab in Henoko, Nago City, the relocation site agreed to by Tokyo and Washington for the U.S. Marine Corps' Futenma Air Station. She will make a side trip to Henoko while visiting Okinawa Prefecture as minister in charge of declining birthrate.

11) SDP secretary general: No need to mention the relocation site for Futenma

NIKKEI (Page 2) (Full)
December 9, 2009

Appearing on a TV Asahi program yesterday, Social Democratic Party Secretary General Yasumasa Shigeno said, "He does not need to say where (Futenma base) should be moved to. He should explain clearly about the discussions conducted until now, the circumstances in Okinawa, etc. He should explain that it is impossible to reach an early decision." Shigeno was responding to a question about how Prime Minister Yukio Hatoyama should explain to U.S. President Barack Obama the Japanese government's policy with regard to the relocation of the U.S. Marine Corps' Futenma Air Station (when they meet in Copenhagen).

12) U.S. calls off I Corps transfer to Camp Zama

TOKYO SHIMBUN (Top play) (Full)
December 9, 2009

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The U.S. Army is not expected to transfer its 1st Corps, also known as I Corps and headquartered at Fort Lewis in the U.S. mainland state of Washington, to Camp Zama, a U.S. Army base straddling the Kanagawa prefectural cities of Zama and Sagami-hara, U.S. military sources have revealed. In May 2006, Japan and the United States reached an intergovernmental agreement on a roadmap for realigning the presence of U.S. forces in Japan. Based on this agreement, I Corps was to be transferred to Camp Zama.

On the pending issue of relocating the U.S. Marine Corps' Futenma Air Station in Japan's southernmost island prefecture of Okinawa, the United States is strongly calling for Japan to implement the agreement. However, the United States also will not carry out one of its realignment plans due to its own circumstances.

In December 2007, the U.S. Army moved I Corps' command functionality to Camp Zama from its U.S. mainland headquarters. The U.S. military's relocation to Camp Zama will only end up with the installation of I Corps' forward command. I Corps is a full-fledged headquarters for global troop deployment. Meanwhile, its forward command is small and its task is expected to be localized for the defense of Japan.

The roadmap does not pinpoint I Corps in concrete terms for realignment. However, Japan and the United States discussed the U.S. force realignment, giving heed to the transfer of I Corps to Camp Zama. It said a joint-capable command will be moved to Camp Zama for the U.S. Army, Navy, Air Force, and Marine Corps.

Meanwhile, in the process of realigning the presence of U.S. forces in Japan, the Ground Self-Defense Force plans to relocate its Central Readiness Command (CRC), a unit for overseas deployment, from its current location at the GSDF's Asaka garrison in Tokyo's Nerima ward to Camp Zama in fiscal 2012. To that end, construction work has now started there for some facilities to host the CRC.

13) Defense chief arrives in Guam

YOMIURI (Page 4) (Full)
December 9, 2009

Yoshikazu Shirakawa

TUMON, Guam-Defense Minister Kitazawa arrived in Guam yesterday evening. Kitazawa will today visit the island's northern district of Finegayan and other areas, where about 8,000 U.S. Marines will be transferred from Okinawa.

14) JCP Chairman Shii attends U.S. ambassador's reception

AKAHATA (Page 2) (Full)
December 9, 2009

Japanese Communist Party (JCP) Chairman Kazuo Shii attended a reception hosted by U.S. Ambassador John Roos and his wife at the ambassador's official residence on Dec. 7. The reception was held after a meeting there between Japanese Diet members and the American Chamber of Commerce in Japan (ACCJ).

Shii exchanged greetings with the Ambassador and talked about such issues as nuclear weapons, Japan-U.S. relations, and the U.S. bases

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in Japan. He met also with James Zumwalt, deputy chief of mission, to whom he had handed in April a letter addressed to President Barack Obama. Besides them, he exchanged greetings with ACCJ officials.

The Ambassador invited Japanese and U.S. officials, who had attended the ACCJ's regular session with representatives of the Japanese political parties, to the reception. On Dec. 2 Shii met with ACCJ Executive Director Samuel Kidder and others.

15) China completes construction of derrick at Shirakaba gas field, in disregard of agreement on joint development with Japan

YOMIURI (Page 2) (Excerpts)
December 9, 2009

The governments of Japan and China have agreed to jointly develop the Shirakaba (Chunxiao in Chinese) gas field. However, the Maritime Self-Defense Force has confirmed as of yesterday through monitoring activities by its P-3C patrol aircraft that China has completed the construction of a facility to excavate natural gas. A Defense Ministry official said, "China is ready to drill for gas anytime."

China suddenly delivered construction materials to the facility at the Shirakaba gas field this July. In response to an inquiry from the Japanese government, the Chinese government said that the materials were "for the maintenance of the facility," but China continued with the construction work.

The Defense Ministry has continued monitoring by P-3C aircraft. A derrick that is over 100 meters tall has already been built. China completed the construction work in late October and has already delivered materials such as food. More than 10 workers started working there in December.

16) SDP, PNP strengthening ties over economic stimulus measures, Futenma relocation

TOKYO SHIMBUN (Page 2) (Full)
December 9, 2009

The "relationship of mutual aid" between the Social Democratic Party (SDP) and the People's New Party (PNP) over policy adjustments in the Hatoyama administration, such as the adoption of an emergency economic stimulus package at the Dec. 8 cabinet meeting, is becoming visible. The SDP has a total of 12 members in the Lower and Upper Houses. The PNP has eight. They are working together in order not to be eclipsed by the Democratic Party of Japan (DPJ). However, their united front is one of the causes of the turmoil Prime Minister Hatoyama is embroiled in.

The DPJ, which is cautious about generous spending, and the PNP, which was seeking a total outlay of 11 trillion yen, were at odds over the economic stimulus package. With the SDP stepping in line not with the DPJ but with the PNP, they jointly mapped out an economic pump-priming package worth 6 trillion yen.

Furthermore, SDP Policy Research Council Chair Tomoko Abe on Dec. 8 underscored her party's view that an expansionist fiscal policy is desirable, telling reporters, "We will secure ample funds in compiling the fiscal 2010 budget." This was a development just as the PNP had expected in the run-up to the compilation of the fiscal

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2010 budget.

The PNP joined forces with the SDP over the issue of relocating the U.S. Marine Corps' Futenma Air Station in Okinawa Prefecture. The SDP, which is calling for relocation outside the prefecture or the nation, had been wary of an early settlement of the issue, which could lead to relocation within the prefecture. After meeting with SDP leader Mizuho Fukushima in late November, Shizuka Kamei said, "The matter cannot be settled within a month or two months." He thus successfully backed the decision not to reach a settlement before the end of the year.

The SDP and the PNP hold weekly senior staff meetings. They are apparently stepping up their cooperation as such issues as the budget compilation approach a crucial stage. Some DPJ members are complaining about this, with one mid-ranking member saying, "We are being pushed around (by the SDP and the DPJ) too much."

However, Fukushima at a meeting of the Basic Policy Ministerial Committee on the 8th smoothly approved the emergency economic stimulus package, saying, "I accept this amount (7.2 trillion yen)." A senior PNP member after the meeting complained, "We supported the SDP over the Futenma issue. She should not have said such a thing." Collaboration between the two parties is apparently incomplete.

17) Prime Minister Hatoyama: Great deal of discussion needed on whether to abolish administrative vice minister post

ASAHI (Page 4) (Full)
December 9, 2009

In reference to Administrative Reform Minister Yoshito Sengoku's announcement that he will look into abolishing the top bureaucratic post of administrative vice minister, Prime Minister Yukio Hatoyama yesterday told reporters at the Prime Minister's Official Residence (Kantei), "I have no intention to say (as to whether the post should be abolished or kept). I think we should discuss the matter to a great extent," indicating that he will watch arguments in his cabinet." The Hatoyama administration decided to abolish the regular administrative vice minister meetings immediately after its inauguration. It also banned in principle press conferences by administrative vice ministers. Hatoyama said, "Various arguments have just begun, including one calling for the abolishment of the administrative vice minister post because the vice ministerial meeting has been abolished."

18) Fiscal 2010 budget: Barriers against achieving goal of capping issuance of government bonds at 44 trillion yen remain high

NIKKEI (Top play) (Lead para.)
December 9, 2009

Following the adoption of an emergency economic pump-priming package (7.2 trillion yen in fiscal spending) to be incorporated in the draft second extra budget for fiscal 2009 at a cabinet meeting on Dec. 8, the fiscal 2010 initial budget compilation process will shift into high gear. The focus is on whether a goal of capping the issuance of new government bonds at 44 trillion yen can be achieved or not. In order for the government to uphold its public pledge, total expenditures from the general account has to be slashed by over 4 trillion yen from the over 95 trillion yen worked out at the budgetary request stage. The barrier against the compilation of the

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budget before year's end remains high. The government will have to walk a tightrope in handling the budgetary compilation.

ROOS